

FIRST REGULAR SESSION

HOUSE BILL NO. 912

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BROWN (94).

1411H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 137.016, RSMo, and to enact in lieu thereof one new section relating to property classification.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 137.016, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.016, to read as follows:

137.016. 1. As used in Section 4(b) of Article X of the Missouri Constitution, the following terms mean:

(1) "Residential property", all real property improved by a structure which is used or intended to be used for residential living by human occupants, vacant land in connection with an airport, land used as a golf course, manufactured home parks, bed and breakfast inns in which the owner resides and uses as a primary residence with six or fewer rooms for rent, and time-share units as defined in section 407.600, except to the extent such units are actually rented and subject to sales tax under subdivision (6) of subsection 1 of section 144.020, but residential property shall not include other similar facilities used primarily for transient housing. For the purposes of this section, "transient housing" means all rooms available for rent or lease for which the receipts from the rent or lease of such rooms are subject to state sales tax pursuant to subdivision (6) of subsection 1 of section 144.020;

(2) "Agricultural and horticultural property", all real property ~~used~~ for **which** agricultural purposes **are the immediate most suitable economic use, as determined under subsection 5 of this section**, and **that is** devoted primarily to the raising and harvesting of crops; **or** to the feeding, breeding ~~and~~ , **or** management of livestock, which shall include breeding, showing, and boarding of horses; **or** to dairying~~;~~ ; or to any ~~other~~ combination thereof; and

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 buildings and structures customarily associated with farming, agricultural, and horticultural uses.
19 Agricultural and horticultural property shall also include land devoted to and qualifying for
20 payments or other compensation under a soil conservation or agricultural assistance program
21 under an agreement with an agency of the federal government. Agricultural and horticultural
22 property shall further include land and improvements, exclusive of structures, on privately owned
23 airports that qualify as reliever airports under the National Plan of Integrated Airports System,
24 to receive federal airport improvement project funds through the Federal Aviation
25 Administration. Real property classified as forest croplands shall not be agricultural or
26 horticultural property so long as it is classified as forest croplands and shall be taxed in
27 accordance with the laws enacted to implement Section 7 of Article X of the Missouri
28 Constitution. Agricultural and horticultural property shall also include any sawmill or planing
29 mill defined in the U.S. Department of Labor's Standard Industrial Classification (SIC) Manual
30 under Industry Group 242 with the SIC number 2421;

31 (3) "Utility, industrial, commercial, railroad and other real property", all real property
32 used directly or indirectly for any commercial, mining, industrial, manufacturing, trade,
33 professional, business, or similar purpose, including all property centrally assessed by the state
34 tax commission but shall not include floating docks, portions of which are separately owned and
35 the remainder of which is designated for common ownership and in which no one person or
36 business entity owns more than five individual units. All other real property not included in the
37 property listed in subclasses (1) and (2) of Section 4(b) of Article X of the Missouri Constitution,
38 as such property is defined in this section, shall be deemed to be included in the term "utility,
39 industrial, commercial, railroad and other real property".

40 2. Pursuant to Article X of the state constitution, any taxing district may adjust its
41 operating levy to recoup any loss of property tax revenue, except revenues from the surtax
42 imposed pursuant to Article X, Subsection 2 of Section 6 of the constitution, as the result of
43 changing the classification of structures intended to be used for residential living by human
44 occupants which contain five or more dwelling units if such adjustment of the levy does not
45 exceed the highest tax rate in effect subsequent to the 1980 tax year. For purposes of this
46 section, loss in revenue shall include the difference between the revenue that would have been
47 collected on such property under its classification prior to enactment of this section and the
48 amount to be collected under its classification under this section. The county assessor of each
49 county or city not within a county shall provide information to each taxing district within its
50 boundaries regarding the difference in assessed valuation of such property as the result of such
51 change in classification.

52 3. All reclassification of property as the result of changing the classification of structures
53 intended to be used for residential living by human occupants which contain five or more
54 dwelling units shall apply to assessments made after December 31, 1994.

55 4. Where real property is used or held for use for more than one purpose and such uses
56 result in different classifications, the county assessor shall allocate to each classification the
57 percentage of the true value in money of the property devoted to each use; except that, where
58 agricultural and horticultural property, as defined in this section, also contains a dwelling unit
59 or units, the farm dwelling, appurtenant residential-related structures and up to five acres
60 immediately surrounding such farm dwelling shall be residential property, as defined in this
61 section.

62 5. All real property which is vacant, unused, or held for future use; which is used for a
63 private club, a not-for-profit or other nonexempt lodge, club, business, trade, service
64 organization, or similar entity; or for which a determination as to its classification cannot be
65 made under the definitions set out in subsection 1 of this section, shall be classified according
66 to its immediate most suitable economic use, which use shall be determined after consideration
67 of:

- 68 (1) Immediate prior use, if any, of such property;
69 (2) Location of such property;
70 (3) Zoning classification of such property; except that, such zoning classification shall
71 not be considered conclusive if, upon consideration of all factors, it is determined that such
72 zoning classification does not reflect the immediate most suitable economic use of the property;
73 (4) Other legal restrictions on the use of such property;
74 (5) Availability of water, electricity, gas, sewers, street lighting, and other public services
75 for such property;
76 (6) Size of such property;
77 (7) Access of such property to public thoroughfares; and
78 (8) Any other factors relevant to a determination of the immediate most suitable
79 economic use of such property.

80 6. All lands classified as forest croplands shall not, for taxation purposes, be classified
81 as subclass (1), subclass (2), or subclass (3) real property, as such classes are prescribed in
82 Section 4(b) of Article X of the Missouri Constitution and defined in this section, but shall be
83 taxed in accordance with the laws enacted to implement Section 7 of Article X of the Missouri
84 Constitution.

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